

EXHIBIT 62

INDUSTRY

Pilot unions urge Air India, Civil Aviation Ministry to reverse salary cuts

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The two pilot unions of national carrier Air India have urged the Minister of Civil Aviation and the airline’s chairman and managing director to roll back the reductions in their salary and reinstate their monthly flying allowances in line with industry standards. Most other airlines in India have scaled back their austerity measures. The appeals were in the form of letters and addressed to the Civil Aviation Minister, Hardeep Singh Puri, and the Air India chairman and managing director, Rajiv Bansal.

In its letter dated March 23, the central office of the Indian Commercial Pilots Association (ICPA), in Chennai — it has six offices — drew the Minister’s attention to the pilots having borne the “brunt of unjust pay cuts with unilateral reductions to wages of approximately 58% from April 2020, and 55% from October 2020”, at a time when Air India has been the only major Indian airline to operate the most number of repatriation flights through the peak of the novel coronavirus pandemic. An aviation industry expert familiar with the context in which the letters were written said that as a breakup, this would work out to a 40% cut on all allowances barring salary which is a small part of the gross package. Allowances form nearly 60% to 70% of the gross pay. Also, instead of the fixed 70 hours payment which is the industry norm, the pilots are being paid based on the actual flying done. In addition, there has been a cut of 40% on the hourly rate payment.

The ICPA said that by “taking away the fixed pay”, which is the industry norm, pilots, and also pilots who were infected with the COVID-19 virus, were affected. It added that it was also unfair to deny the pilots in general their monthly flying allowance despite them being available for flights, yet not having their services utilised for various reasons. This way, about 350 pilots, out of the ICPA’s pilot strength of about a 1,000 crew, would have been impacted by this. Apart from them, there were about 250 pilots who could not fly due to delays in licence renewals by the Directorate General of Civil Aviation and airport entry pass renewals.

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rates, which it found perplexing, as the Air India management observed industry practices and standards for other allowances. The pilots are paid \$200 (about ₹14,490) for the first 36 hours and thereafter \$6 (about ₹435) per hour. This has now been changed to reflect government guidelines which vary from country to country. The union urged the Minister to ensure that this allowance was restored or that pilots were treated on a par with other public sector units in this issue when considering any pay cut that took effect from March 2020, following the pandemic.

The ICPA pointed out that all private airlines in India had scaled back wage austerity measures. The expert said in the case of Vistara, the effective cut on gross was less than 17%, in Air Asia 20%, Indigo 28%, while SpiceJet paid its crew according to their actual flying hours.

In the case of Air India, the wage cuts applied to pilots in its other airline groups too – its low cost subsidiary, Air India Express which employs about 320 pilots, and its regional airline subsidiary, Alliance Air, with about 210 pilots. Both these airlines have foreign national pilots on their rolls as well. They too have had a pay cut but not to the extent of their Indian counterparts. These two airlines do not have a separate union, but are ICPA members.

In the second letter, also dated March 23, the other Air India pilot union, the Indian Pilots Guild, which is based in Mumbai, highlighted the key role the airline had played under the ‘Vande Bharat Mission’ repatriation flight schedule. Citing Civil Aviation Ministry data of March 18, it said Air India had flown 27,50,385 passengers, which is 15,92,072 passengers (inbound) and 11,58,313 passengers (outbound).

The IPG, which represents 367 pilots – 342 ordinary members and 25 associate members – and operates most of Air India’s long-haul flights, said that with domestic and international passenger load factors rising, the airline’s operations department had now introduced a revised policy that did away with pre-flight COVID-19 testing to enable better crew utilisation. The aviation expert said that the IPG found this to be a cause for concern.

In addition to this, all leave for pilots alone was being cancelled or curtailed. The IPG said that it only stood to reason that there was wage restoration, especially with aircraft utilisation moving toward the number of hours in operation before the pandemic struck.

The IPG ended its letter by urging that the pay cut, which was imposed from April 1, 2020, be “rolled back” with retrospective from January 1, 2021. The union, like the ICPA, also referred to a pay cut rollback having been implemented by other Indian airlines and in conformity with industry standards since January this year.

Both letters have also focused on the strong need for industrial harmony and the importance of restoring employee morale especially in the run-up to the sale of the airline. The IPG letter said, “One cannot help but wonder if there is any vested interest towards constantly treating the pilots with this draconian style of management upon the eve of privatisation.”

All the pilots, i.e. under the ICPA and the IPG, fly the nearly 160-plus aircraft operated by Air India and its subsidiaries.

In a separate development, the Shiv Sena Member of Parliament, Gajanan Kirtikar, on Wednesday, wrote to the Civil Aviation Ministry, highlighting among other things, the salary

deductions for Air India employees in terms of cost cutting measures having been carried out in a manner in which “no other government department or company” had done so far.

On Saturday, March 27, the Civil Aviation Minister had said that the airline was running up a loss of ₹20 crore every day, with a cumulative debt of ₹60,000 crore. He added that the government was looking to complete the 100% sale of the airline by May or June this year.

Neither the Ministry of Civil Aviation nor the Air India CMD responded to *The Hindu's* emails for their comments on the issue.

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